



Meeting Minutes of the
Retirement Investment Committee
November 14, 2023 – 2:00 p.m. CT
Meeting Via Zoom

Plan Administrator/Facilitator: Janice Parks, Vice President, Chief Human Resources Officer	Committee Members Present: Michael Budzynski, Vice Dean Administration SSOM
Transamerica Partners Present: Keith Beall Cara Cantrell	Hae Mi Choi, PhD, Associate Professor Quinlan School of Business
	Thomas M. Kelly, Senior Vice President for Administration
	Teresa Krafcisin, Sr. Associate VP and Controller
	Wayne Magdziarz, Sr. VP, Chief Financial Officer and Chief Business Officer
	Katharine Wyatt, Chief Investment Officer

1. Call to Order

Tom Kelly called the meeting to order, which began at 2:05 p.m. Tom Kelly introduced Janice Parks, the new Vice President, Chief Human Resources Officer to RIC. Janice joined Loyola on October 9, 2023. Janice will be chairing RIC moving forward.

2. Review and approval of meeting minutes

Janice requested a review of the meeting minutes from the August 21, 2023 meeting. Tom Kelly made a motion to approve the meeting minutes dated August 21, 2023. Katie Wyatt seconded the motion. All approved. The motion was carried.

3. Cara Cantrell, Client Executive at Transamerica provided an update on plan operations and plan participant statistics as of September 30, 2023.

Cara Cantrell reviewed the Plan-level Dashboard Report noting that total participant account assets were \$487.0M as of the end of Q3 2023 (this was a -\$16M change from Q2 2023). Participants had an average account balance of \$84,653 at Transamerica and an 8.2% average deferral rate. 3,531 participants are actively contributing to the plan and 5,753 participants have accounts with balances. The outstanding loan balance total as of the quarter was \$4.1M, with 466 loans which is about 5.3% of participants with a loan and an average loan balance of \$8,949.

Tom Kelly asked Cara to provide additional details regarding the website statistics and what participants are selecting on the website.

Cara Cantrell then reviewed the Plan-level Dashboard Report for the 457(b) plan. The plan has 20 participants with a balance and the plan has \$1.291M in assets.

4. Keith Beall, Portfolio Strategist at Transamerica presented on the RIC Committee Structure, including responsibilities and TRS plan Sponsor Investment Solutions

Charter:

- Committee members appointed by the President.
 - Recommended by Plan Administrator
- Responsibilities include:
 - Selecting and monitoring service providers
 - Developing investment objectives, policies, and procedures
 - Design of fund lineup and participant services offered.
 - Selecting and monitoring investment options
- Committee meets at least quarterly.
 - Review asset allocation, diversification, and aggregate participant trends
 - Review investment performance
 - Determine funds to be placed on Watch Status as may be warranted.
- Determine funds to be replaced as may be warranted.
- Select new funds to be offered and/or as replacements for existing funds as may be warranted.
- Review available fund share classes and revenue sharing, generally annually.

The RIC Charter and draft Investment Policy Statement (IPS) will be reviewed with the committee during the next RIC meeting. Keith noted that it is not a requirement to have an IPS and that we have been following the steps outline in the charter related to fund

selection and monitoring procedures, including committee decision to place funds on a formal watch list and/or replace funds.

Additionally, Keith Beall and Tom Kelly provided clarification on TRS's fiduciary responsibilities. TRS is a fiduciary for certain LUC plan activities, like any of the outsourced plan operations from LUC to TRS, which would include items like loans, distributions, QDROs, etc. However, only non-fiduciary investment consulting services are provided through Transamerica Retirement Services (TRS) and Transamerica Investors Securities Corporation (TISC), Licensed Registered Representatives.

Katie Wyatt asked Keith about TRS's qualitative analysis of funds including the investment manager of funds. Keith spoke to the analysis the TRS organization does and noted that TRS has a manager research group that is using Morningstar, and other research tools for this qualitative information. However, TRS does not have a person individually contacting the fund managers to conduct qualitative analysis to better determine what is truly going on with the fund.

Then Keith spoke to the current fund lineup and design, which includes 15 Core funds (4 Index Funds, Target Date Funds (Index) and 4 TIAA-CREF Annuities. This is the same fund lineup we have had for the last nine years. The committee can discuss if the fund lineup and/or design should be changed or reworked completely. Add/include more index options or add other categories.

Hae Mi Choi asked Keith Beall for examples specifically for large cap growth index funds to review. Keith mentioned the idea of adding additional index funds to that and other "primary asset classes" and said he could bring examples to the next meeting for discussion.

Keith Beall, Portfolio Strategist at Transamerica presented the Investment Performance Review of the plan for Q3 2023.

Keith Beall reviewed the Defined Contribution plan assets and investment line-up and explained we had a solid portfolio, well diversified across, and within the major asset classes.

The entire ERISA and Non-ERISA account balances as of September 30, 2023 was \$1,209,108,173 which is lower than the balance reported as of June 30, 2023 which was \$1,253,075,260. This balance reported includes currently active, closed ERISA legacy, and Non-ERISA legacy assets. As of September 30, 2023, under the current active plan there is \$563,061,871 in assets, which is 46.6% of the total plan assets. Transamerica holds 40.3% of total assets under investment management, and TIAA (four funds) holds 6.3% of total assets under investment management in the current active plan. There currently is 39.9% of the ERISA plan assets in closed ERISA legacy accounts with TIAA, Fidelity and AIG/Corebridge Financial. The remaining 13.6% of total account balance are closed Non-ERISA accounts.

Keith then reviewed each investment against benchmarks that we have set up, and the overall fund lineup is performing in-line with expectations with the following noted trends:

- In general, overall fund lineup performed in-line with expectations with the following noted trends:
 - **Funds on Watch List – None**
 - **Passively managed (index) funds performed in line with underlying indexes (as designed)**
 - **Actively managed funds performing in 25th percentile of peers over trailing 3 and 5 year periods**
 - **DFA US Targeted Value Fund**
 - **Actively managed funds performing below peer median over trailing 3 and 5 year periods**
 - **Metropolitan West Total Return Bond Fund**
 - “Admin” share class performed in 87th, 80th, and 78th percentiles over quarter, YTD, and year
 - “Plan” share class performed in 81st, 74th, and 71st percentiles over quarter, YTD, and year
 - Most recent performance has slipped and has been mixed to average over the intermediate term
 - Fund has maintained a longer duration than peer average and index which has detracted from performance in 2022 and 2023 as interest rates have risen sharply
 - Considerable organizational changes with 2 portfolio managers and Co-CIO retiring in 2023 and 2024; new CEO from Goldman joined TCW in early 2023, replacing retiring CEO
 - **T. Rowe Price Growth Stock Fund**
 - Performed in 8th, 11th, and 32nd percentiles over quarter, YTD, and trailing 1 year
 - Strong performance in quarter and YTD has started to improve performance as growth stocks rebounded strongly and led markets higher
 - Underperformance in 2022, 2021 and 2019 brought down trailing averages
 - 2022 underperformance had largest impact as greater exposure to technology, consumer discretionary sectors and generally more aggressive growth holdings detracted from results as markets sharply rotated from aggressive growth stocks during correction.
 - **ClearBridge Small Cap Growth Fund**
 - Performed in 86th, 91st, and 84th percentiles over quarter, YTD, and trailing year

- Material underperformance in second and third quarters 2023 brought down trailing averages
- Lack of exposure to biotech stocks during strong sector rally along with security selection detracted from second quarter results
- Challenges to technology and consumer discretionary holdings detracted from third quarter results

The committee had continued discussion on the two funds that the committee has been monitoring closely at each meeting for the last year or so, the Metropolitan West Total Return Bond Fund and the T. Rowe Price Growth Fund. The discussion included the watch list process about timing on when fund should be moved to the list, and what is threshold. At the next meeting Keith will provide a detailed fund analysis for all the alternative funds for the committee to consider for replacement of these two.

Katie Wyatt asked for a historical performance attribution analysis for the Metropolitan West Fund.

5. Committee Executive Session & Other Business

- a. Update on Roth Catch-Up for Secure 2.0 Act delayed two years – 2026
 - i. <https://www.mwe.com/insights/theres-a-party-going-on-right-here-roth-catch-up-change-delayed-two-extra-years/>
- b. Update on MOVEit data breach - Corebridge (VALIC) plan participants impacted.
- c. Discussion about engaging an extra layer or resource for fund management and oversight.
- d. Discussion about fund design layout and future changes. To be discussed at next meeting.
- e. Discussion about draft IPS and provide clarity about roles. It was noted the IPS should note preference/commitment regarding risk tolerance, and strategies for managing funds.
- f. More watch list discussion about timing on when fund should be moved to the list, and what is threshold.
- g. Round table

6. Closing

The next Retirement Investment Committee meeting is February of 2024 – date TBD.
Janice Parks adjourned the meeting at 4:05 p.m.